GRUMMAN DAILY EDITION
plane news
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Court of Appeals reserves decision

A three-judge panel at the Second Circuit Court of Appeals Court in Manhattan has reserved decision whether to reverse an October 14 preliminary injunction issued by Judge Jacob Mishler in U.S. District Court. In that injunction, LTV was prohibited from soliciting or purchasing any Grumman shares. Mishler ruled that there was evidence of possible antitrust and securities laws violations by LTV.

LTV has extended until November 3 its tender offer of $45 a share. However, the Dallas-based firm said that it was willing to extend the deadline further if the court needed more time.

Both Grumman and LTV said they would like to receive a decision as quickly as possible; the three-judge panel promised an expeditious ruling.

Attorneys for Grumman said they expected a decision in a week to 10 days.

Meanwhile, the Federal Trade Commission (FTC) filed suit in U.S. District Court in Brooklyn, seeking to block the LTV takeover attempt on antitrust grounds.

The FTC, contending that the acquisition "may substantially lessen competition in the United States in the sale of carrier-based aircraft," is seeking a preliminary injunction that would prevent LTV from buying any Grumman stock.

A hearing date for the FTC suit has not yet been scheduled. If a preliminary injunction is granted, or if Mishlers ruling is upheld, LTV's takeover efforts would be delayed indefinitely while the government's antitrust case is debated in court.

Petitioners to send representatives to court

Six Grummanites will take the stand on behalf of all Grummanites who signed Pension Plan petitions. It is not yet known when they will be required to testify, though the petitions will be presented to Federal Judge Jacob Mishler tomorrow.

Over 15,000 Grummanites signed petitions saying that they agreed with actions taken by the Grumman Pension Plan trustees. The Department of Labor, in a suit to be heard by Judge Mishler tomorrow is claiming that the trustees breached their fiduciary trust to the members of the plan.

The committee of Grummanites is: Lillian Baldissard, Benjamin Crews, Rita Hafner, Anthony Pancella, Jr., and Joseph Ullman of Grumman Aerospace and Kathleen Chew of Grumman Data Systems.

Ohio paper makes its point

The following editorial was published by the Columbus, Ohio, *Dispatch* on October 8.

National security, military efficiency, vigorous competition, urban transportation and Ohio employment could all be adversely affected if the proposed takeover of the Grumman Corp. by the LTV Corp. is allowed to take place. The deal should be blocked.

LTV, a Dallas-based conglomerate, announced Sept. 24 that it was moving to take over Grumman by offering $45 per share, or about $450 million, for a 70 percent stake in Grumman. Grumman is fighting the bid. The federal government is investigating possible anti-trust law violations posed by the deal, and is evaluating the potentially damaging impact the merger could have on military procurements and hardware excellence.

The outcome of the battle could mean the loss of 2,700 Grumman jobs in Delaware and Loudonville, sites of Grumman's Flxible bus plants. According to the company, Flxible generates an annual payroll of more than $40 million, pays $832,000 a year in property taxes and spends about $80 million a year on Ohio goods and services. Flxible is Delaware's largest employer and Loudonville's only employer of consequence.

LTV entered the 1970s in a state of financial disarray. During that decade, it divested itself of many operations

October 28, 1981 — Grumman shares closed at 28 1/8 today; approximately 61,500 Grumman shares were traded.

not related to four primary areas of activity, steel, aerospace, energy and shipping.

It is possible — likely, some analysts say — that LTV would sell or simply close down the Flxible operations should the proposed Grumman merger go through. The local impact of a shutdown would be significant.

But the reasons to oppose the merger go beyond parochial considerations. A Flxible shutdown would leave the nation with only one manufacturer of buses — General Motors. The appeal of mass transportation will likely grow in the coming years and the industry will need the innovation and design creativity that comes best from vigorous competition in the industry.

Competition in the aerospace field could also be impeded if the merger takes place. Both LTV and Grumman are involved — separately — in the bidding for a new training system for Navy pilots, a system which includes academic programs, simulators and new planes. Competition in such a vital field keeps the competitors striving for new, better ways to get the job done. Limiting competition could invite complacency.

And it would invite higher prices for military hardware. The Pentagon is embarking on a huge rebuilding program in which the armed forces will be ordering vast amounts of new equipment. It should be the best they can get at the lowest price available. Competition in the military marketplace enhances quality and price. National security depends on top quality equipment and sound fiscal practices.

It is precisely because of the Pentagon's buildup that Grumman's future looks so bright right now. The majority of its manufacturing activity is military related, and an improved health in military manufacturing will enable it to continue to solve the financial problems now being endured by Flxible. Grumman has vowed to keep the bus operation running. LTV has hedged.

From the country's point of view, from the government's and from the Grumman stockholder's, the LTV deal is a bad idea. Grumman will best serve all concerned as an independent manufacturer.

PLANE NEWS/Daily Edition

Published to keep you informed about the unsolicited takeover attempt.

Questions or comments? Contact us.

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Pens a note of encouragement

To the Grumman employees,

For more than 45 years I have watched with pride the aircraft built by Grumman take their place in our Navy's aircraft arsenal, built with pride by conscientious people.

To allow Grumman to be bought by anyone who might diminish that pride is to allow 51 years of hard work to go unsupported.

For anyone to think of solely "money today, forget tomorrow" is not realistically thinking of our commitment to better defend ourselves. Spending and inflation will take away what they may give us for our Grumman stock today. We must think of the next 100 years and what Grumman will have accomplished by then--for the country, the communities and their employees.

I'm not an employee, nor have I ever been. But no company can offer me sufficient monies to sell the small piece I own. It's more companies like Grumman that will help keep America strong and moving forward.

Wishing you success in your endeavor to stay intact.

Keep together.

Sincerely,
Philip Patane
Brooklyn, N.Y.